

Global Telecom vendors performance indicators

Autumn 2024

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Key takeaways

- Consumer business propels Huawei revenue growth as other vendors see decline in business, resulting in low single digit collective revenue growth YoY for the leading vendors in Q3-2024.
- Huawei's revenue experienced significant growth of 15.6% YoY in Q3-2024, while other leading vendors, such as Cisco, Ericsson, Nokia, and ZTE, faced revenue declines. This trend can be attributed to reduced network investments following the completion of 5G deployments in major markets, slower-than-anticipated adoption of 5G networks, and heightened competition.
- Leading telecommunications vendors are investing in AI-driven innovations to enhance network efficiency, performance, and security. These efforts include collaborations and acquisitions aimed at developing advanced AI-powered Radio Access Network (RAN) solutions and AI security technologies.
- The North American market has reportedly shown initial signs of stabilization, with vendors anticipating growth in demand over the coming years.
- **Cisco** reported a 5.6% YoY decline in revenue for Q3-2024, primarily due to a decrease in product revenue, which offset the growth in its enterprise business.
 - Excluding Splunk, total revenue declined by ~14% YoY in Q3-2024.
- **Ericsson** reported a modest improvement in its Q3-2024 results, although sales declined by 4.2% YoY to approximately USD 5.9 billion (SEK 61.8 billion).
 - The YoY decline was relatively lower compared to declines of 14.8% and 7.1% in Q1-2024 and Q2-2024, respectively, due to a sales uptick in North America.
- **Nokia's** overall revenues decreased by 8.1% YoY in Q3-2024, primarily due to a decline in Mobile Networks, particularly in India, and a divestment in Cloud and Network Services.
 - The carrier network business, which accounts for ~79.6% of Nokia's total revenue, declined by 12.8%.
- **Huawei's** revenue increased by 15.6% YoY in Q3-2024, driven by robust performance in its consumer business, including smartphones and PCs, as well as its growing smart car components unit.
- **ZTE's** revenue declined by 3.9% YoY to USD 3.8 billion (CNY 27.6 billion) in Q3-2024, due to the global economic slowdown and reduced operator investments.

Trending telecom equipment vendor insights

1. North American market shows signs of recovery, albeit at a slower rate for telecom vendors

The North American market, particularly the United States, has emerged as a promising area for leading telecom vendors such as Ericsson and Nokia. Increased investment by major customers in network infrastructure for fixed services has contributed to initial signs of revenue recovery in the region.

Ericsson reported a significant YoY revenue growth of 51.3% in Q3-2024 and a 13.5% YoY increase for the first nine months of FY-2024. Although Nokia experienced a YoY revenue decline of 3.2% in Q3-2024, this represents a notable improvement compared to the 44.8% decline in the same quarter of the previous year (Q3-2023). Cisco also registered its lowest YoY decline in Q3-2024 compared to the previous three quarters of the current year (FY-2024).

2. AI remains a pivotal driver of strategic growth and innovation for telecom vendors

Leading telecom vendors are pursuing strategic initiatives to enhance their AI capabilities. For instance, Nokia, Ericsson, Nvidia, and T-Mobile have collaborated to launch the AI-RAN Innovation Center, focused on advancing AI-powered RAN solutions. Similarly, ZTE and Huawei have announced new AI-powered innovations aimed at enhancing network efficiency and performance.

Additionally, Cisco has acquired security startups DeepFactor and Robust Intelligence to further strengthen its AI security capabilities.

3. Organizational realignment strategies of leading telecom vendors focus on future growth opportunities

Nokia has announced a strategic restructuring of its Corporate Affairs function into two parts: Geopolitics and Government Relations, and Communications, to address challenges and opportunities in the global telecom landscape.

Ericsson's integrated strategy, combining Cradlepoint, Ericom, and Ericsson Private 5G, aims to deliver comprehensive enterprise wireless solutions. This three-pronged approach, encompassing Ericsson Private 5G, Ericsson Private 5G Compact, and Ericsson Enterprise 5G Coverage, addresses the growing demand for secure, high-performance connectivity in diverse enterprise environments.

Cisco has also merged its Networking, Security, and Collaboration teams into a single unit, aiming to accelerate innovation, enhance customer experience, and fully integrate Splunk into its product portfolio.

4. Telecom vendors face headwinds, leading to job reductions

Leading equipment vendors continue to experience challenges in FY-2024, marked by a series of job cuts from companies such as Cisco, Nokia, and Ericsson.

Nokia has been proactive in its cost-reduction efforts. As part of the plan announced in Dec-2023, the company has already laid off nearly 2,000 employees in Greater China in Oct-2024 and is poised to further reduce its workforce in Europe.

The impact of these measures is evident in the company's improved financial performance, with a positive operating profit growth of 3.8% in Q3-2024, compared to declines of 6.1% and 7.9% in Q1-2024 and Q2-2024, respectively.

Cisco and Ericsson have also implemented job reduction programs to address declining revenues and optimize costs. Meanwhile, Huawei and ZTE, despite not announcing formal layoff plans, are navigating a complex geopolitical landscape that could potentially impact their workforce.

5. Chinese vendors face potential future revenue challenges amidst security concerns

The global trend of "rip and replace," initiated by the US, Germany, and India, is poised to significantly impact the revenue potential of Chinese vendors like Huawei and ZTE.

In the US, the FCC recently granted extensions to multiple service providers to complete the removal of Chinese equipment, citing supply chain disruptions as the primary reason. Additionally, US lawmakers are intensifying efforts to restrict Huawei's access to critical US technology, particularly semiconductor manufacturing equipment.

India is also actively pursuing a similar strategy. Vodafone Idea has assured the government of its commitment to phasing out Chinese technology from its core network and has selected Samsung as its 5G equipment provider for priority circles, opting for Nokia and Ericsson to drive 4G network expansion.

Germany has imposed strict deadlines for removing Chinese equipment from its networks, with core networks to be cleared by 2026 and access and transmission networks by 2029.

Financial Performance

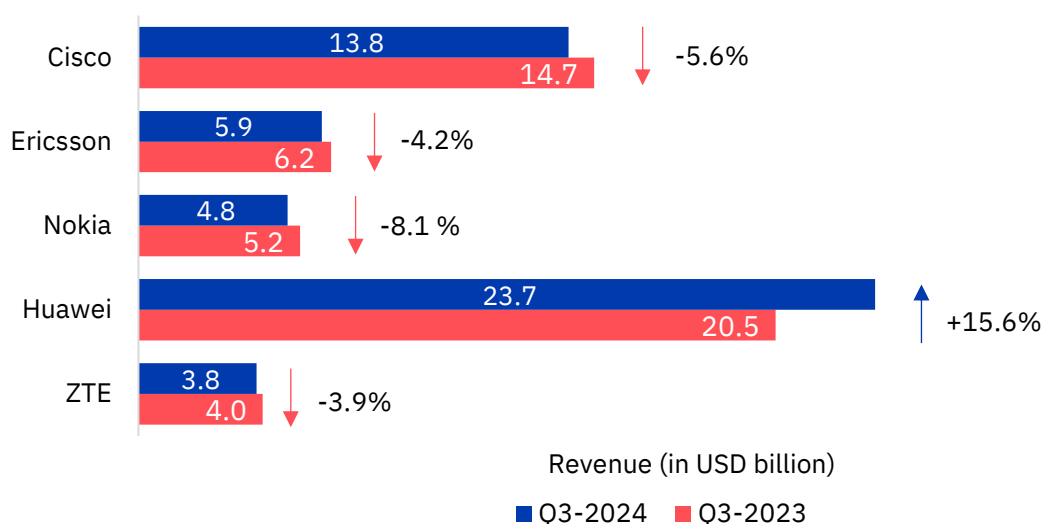
Consumer business propels Huawei revenue growth as other vendors see decline in business, resulting in low single digit collective revenue growth YoY for the leading vendors in Q3-2024.

The top five telecommunications vendors collectively experienced a modest 3% YoY revenue growth in Q3-2024, marking a relative improvement from the 2.6% decline observed in the same period last year. This positive shift was primarily driven by Huawei's robust 15.6% YoY growth, which helped offset revenue declines at Cisco, Ericsson, Nokia, and ZTE.

A comparative analysis of the top five vendors' revenue performance in Q3-2024 reveals the following insights:

- Huawei outperformed its global counterparts, driven by strong performance in its consumer business, including smartphones, PCs, and its smart car components unit.
- ZTE experienced revenue declines amid an economic slowdown and reduced operator spending.
- While European and American vendors faced YoY revenue declines, the recovery in the North American market provided a mitigating factor.

Exhibit 1: Leading telecom vendor revenue trends YoY basis, Q3-2024



Source: Company reports and filings, Industry reporting, Twimbit analysis

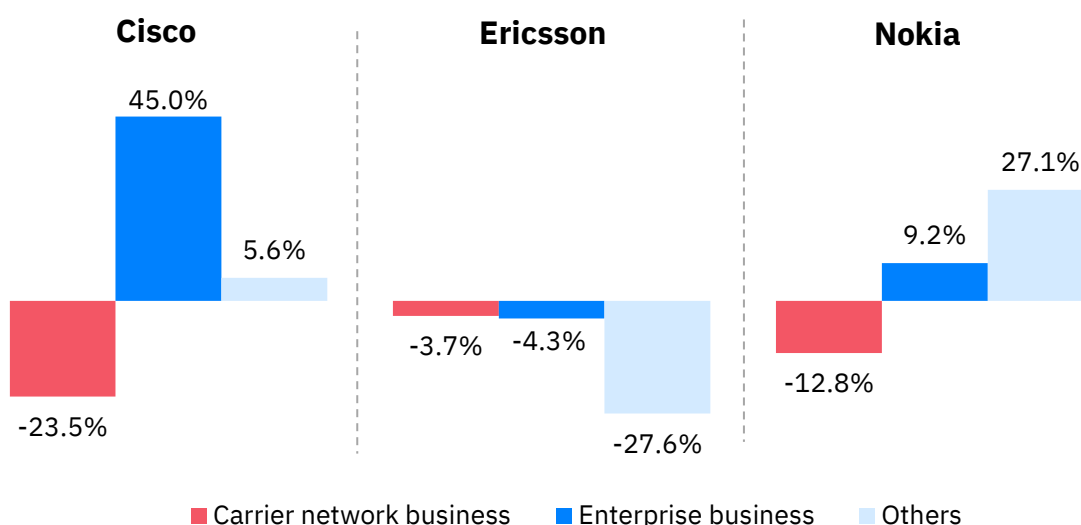
Note:

1. USD conversion is on a constant currency basis
2. Cisco's financial performance is from Aug-2024 to Oct-2024
3. Huawei and ZTE revenue include its consumer business revenue

Telecommunications vendors such as Nokia, Cisco, and Ericsson have encountered revenue challenges recently. Factors such as the slowdown in global 5G deployments, increased competition, and economic uncertainties have contributed to this decline. While some vendors, like Cisco and Nokia, have demonstrated resilience, others, such as Ericsson and ZTE, have experienced revenue drops.

Cisco, Ericsson, and Nokia have faced revenue declines, particularly in markets such as North America, Europe, and India, where 5G deployment has largely been completed. However, there is a positive outlook for the North American market, which is stabilizing and poised for growth as telecommunications companies prioritize fibre deployments to expand broadband connectivity.

Exhibit 2: Leading telecom vendor revenue trends by customer type, Q3-2024



Source: Company reports and filings, Industry reporting, Twimbit analysis

Note:

1. Cisco's financial performance is from Aug-2024 to Oct-2024
2. Huawei and ZTE do not disclose revenue by customer type every quarter

Cisco

- Cisco's revenue declined on a YoY basis for the fourth consecutive quarter in Q3-2024. Overall revenue decreased by 5.6% YoY to USD 13.8 billion, primarily due to a decline in product revenue, which offset the growth in services revenue.
 - During this period, product revenue declined by approximately 9.2% YoY, whereas services revenue experienced a growth of 5.6%.
- In Q3-2024, the Carrier Network business, which represents nearly 50% of total revenue, reported a decline of 23.5% YoY to USD 8.8 billion. This was attributed to higher product shipments in previous quarters of FY-2023.
 - Revenue also declined in the campus switching, data center switching, enterprise routing, and wireless segments.
- The Enterprise business, accounting for nearly a quarter of total revenue in Q3-2024, grew by 45% YoY to USD 3.4 billion. This growth was driven by increasing demand across various regions.
 - Product orders increased by 33%, particularly in the Americas and EMEA. Service provider and cloud product orders rose by 28%, fueled by significant growth in web-scale businesses.
 - Software-intensive segments maintained positive momentum. Security revenue nearly doubled, Observability grew by 35.8%, while Collaboration revenue experienced a slight decline.
- The company secured over USD 300 million in orders for AI infrastructure from large-scale clients during the quarter and anticipates USD 1 billion in AI-driven product orders, primarily for Ethernet networking and fiber-optic devices.
- During the quarter, Cisco acquired security startups DeepFactor and Robust Intelligence to further enhance its capabilities in AI security.

“Cisco is off to a strong start to fiscal 2025. Our customers are investing in critical infrastructure to prepare for AI, and with the breadth of our portfolio, we are uniquely positioned to capitalize on this opportunity.”

- Chuck Robbins, Chairman and CEO, Cisco



Source: Company website; Image reference

Ericsson

- Carrier network business contributed ~64.8% of total revenues.
 - Segment revenue declined by 3.7% YoY to USD 3.9 billion (SEK 40 billion).
 - Revenues from all the reporting regions declined YoY in Q3-2024, which offset the ~75% growth from the North American region.
- Ericsson reported a modest improvement in its Q3-2024 results, although sales declined by 4.2% YoY to ~USD 5.9 billion (SEK 61.8 billion).
 - This decline was relatively lower compared to the YoY declines of 14.8% and 7.1% in Q1-2024 and Q2-2024, respectively, due to a sales uptick in North America.
 - Intellectual property rights (IPR) licensing revenue increased by ~25% to around USD 334.3 million (SEK 3.5 billion), benefiting from new 5G patent licensing agreements signed during the quarter.
 - The Network segment reported a 25% YoY increase in IPR revenue to USD 274.1 million (SEK 2.8 billion).
- The Carrier Network business contributed approximately 64.8% of total revenues.
 - Segment revenue declined by 3.7% YoY to USD 3.9 billion (SEK 40 billion).
 - Revenues from all reporting regions declined YoY in Q3-2024, offsetting the approximately 75% growth from the North American region.
- The Enterprise business accounted for 34.4% of total revenues.
 - Revenues declined by 4.3% YoY to USD 2 billion (SEK 21.3 billion).
 - Cloud software and service revenue declined by 3.9% YoY to ~USD 1.4 billion (SEK 14.9 billion).
 - An 8% YoY decline in services revenue offset a 4.6% increase in product revenue, resulting in an overall revenue decline.
 - Growth in North America, along with the Middle East and Africa regions, was negated by declines in other regions.
 - Enterprise segment revenue declined by 5.3% YoY to approximately USD 607 million (SEK 6.3 billion).
 - Global Communications Platform (Vonage) revenue decreased by 9.5% YoY to USD 365.1 million (SEK 3.8 billion), due to the company's decision to focus on profitable market segments, reduce operations in certain countries, and impact of a previously announced loss of a low-margin customer contract in Q4-2023.
 - Enterprise Wireless Solutions' growth rate slowed to 5% YoY to approximately USD 125 million (SEK 1.3 billion), due to lower growth in Wireless Wide Area Network (WWAN).

Nokia

- Overall revenue decreased by 8.1% YoY to approximately USD 4.8 billion (EUR 4.3 billion) in Q3-2024. This decline was primarily driven by a decrease in Mobile Networks, particularly in India, and a divestment in Cloud and Network Services, which offset growth in Network Infrastructure and Nokia Technologies.
- Consequently, the contribution of the carrier network business to overall revenue decreased from 83.8% in Q3-2023 to 79.6% in Q3-2024.
 - Revenue declined by 12.8% YoY to USD 3.8 billion (EUR 3.4 billion), mainly due to decreases in the EMEA and APAC regions.
 - Network infrastructure sales declined by approximately 1% YoY to USD 1.7 billion (EUR 1.5 billion), due to a decline in the Optical Networks segment, which offset growth in the IP Networks and Fixed Networks segments.
 - IP Networks: Revenue increased by 4.3% YoY, driven by strong growth in North America, which offset declines in APAC and EMEA.
 - Optical Networks: Revenue decreased by 16.6% YoY, despite growth in the Americas, which was offset by declines in EMEA and APAC.
 - Fixed Networks: Revenue increased by 7.2% YoY, led by strong growth in the Americas and India, offsetting declines in the EMEA region.
 - Mobile Networks: Revenue decreased by 19% YoY, primarily due to underperformance in APAC (particularly India) and the Americas.
 - Americas: Revenue declined significantly by 21.9% YoY, due to the impact of AT&T's decision to single source its network to Ericsson.
 - APAC: Revenue declined by 30.4% YoY due to a significant decrease in India during the quarter, owing to peak investments for 5G deployment in FY 2023.
 - EMEA: Revenue declined marginally by 1.9% YoY.
- The enterprise segment represented 12.3% of total revenues in Q3-2024.
 - Revenue grew by 9.2% YoY to USD 585 million (EUR 532 million).
 - This growth was driven by strong double-digit growth with webscale customers and other enterprise customers.
 - The number of private wireless customers increased to 795 in Q3-2024 from 675 in Q3-2023.

"There are reasons for optimism across our portfolio. We expect a significant acceleration in growth in Q4 in Network Infrastructure and see a number of structural demand trends supporting our future growth. In Mobile Networks, although market dynamics are more challenging, we have secured several important deals in the quarter, remain confident in our competitive position and are improving our gross margin."

- Pekka Lundmark, President and CEO, Nokia



Source: Company website; Image reference

Huawei

- Huawei's revenue increased by 15.6% YoY to USD 23.7 billion (CNY 168.4 billion) in Q3-2024, driven by strong performance in its consumer business, including smartphones and PCs, as well as its growing smart car components unit.
 - The company's smartphone business achieved a remarkable 43% YoY growth in Q3 2024, fueled by the successful launch of its premium 5G Mate 60 and P series devices.
- Despite the revenue growth, Huawei's net profit declined by 13.7% YoY for the first nine months of 2024, due to intensified global competition and ongoing US sanctions.

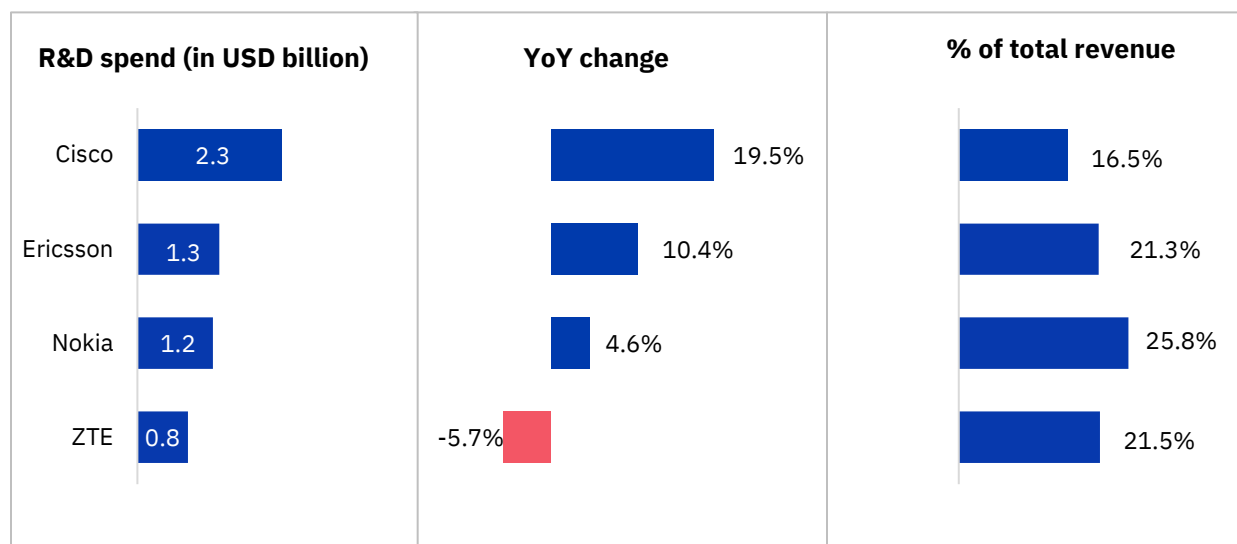
ZTE

- Revenue for Q3-2024 declined by 3.9% YoY to USD 3.8 billion (CNY 27.6 billion), attributed to the global economic slowdown and reduced operator investments.
- Despite the quarterly decline, the company's overall revenue and profitability increased on a YoY basis for the first nine months of FY-2024.
 - Intelligent computing continues to be a strategic priority for ZTE. The company is expanding its business in infrastructure and platform technologies, large models and applications, and application ecosystems.
 - ZTE's "AI for All" strategy is driving its terminal business. Recent product launches include the premium Nubia Z60 Ultra Leading Version, the Nubia Z60S Pro satellite smartphone, and the budget-friendly ZTE Yuanhang 40s. The Nubia brand is expanding globally, with recent entries into markets such as Argentina, Ethiopia, Germany, and others.

R&D performance

R&D spending witnessed a growth of 9.7% YoY in Q3-2024, led by Cisco, Ericsson and Nokia, despite ZTE's spending decline

Exhibit 3: Leading telecom vendor R&D spending trends, Q3-2024



Source: Company reports and filings, Industry reporting, Twimbit analysis

Note:

1. USD conversion is on a constant currency basis
2. Cisco's financial performance is from Aug-2024 to Oct-2024
3. Huawei did not disclose R&D spend for Q3-2024

Cisco

- Cisco's research and development (R&D) spending increased by 19.5% YoY to USD 2.3 billion in Q3-2024, representing ~16.5% of its revenue.
 - The increase in R&D expenses was driven by several factors, including incremental costs from Splunk, higher headcount expenses, increased cash compensation from acquisitions, elevated share-based compensation, and increased discretionary spending.

Ericsson

- R&D expenses rose by 10.4% YoY to approximately USD 1.3 billion (SEK 13.1 billion) in Q3-2024, accounting for about 21.3% of its revenue.
 - The increased R&D investment reflects the company's focus on technology leadership and operational resilience, as well as a lower rate of capitalization of development expenses in the Enterprise segment.

Nokia

- R&D expenses increased by 4.6% YoY to USD 1.2 billion (EUR 1.1 billion) in Q3-2024 to sustain its technological leadership.
- Nokia increased R&D investments in Mobile Networks and Nokia Technologies by 4.6% and 12.5%, respectively, on a YoY basis in Q3-2024.
 - The R&D allocation as a percentage of revenue increased by 310 basis points to 25.8% in Q3 2024.

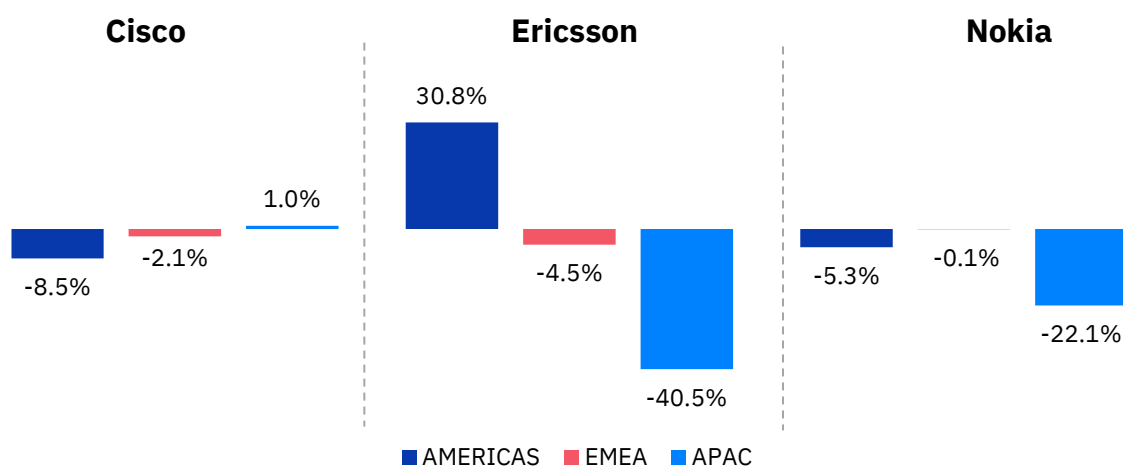
ZTE

- ZTE's R&D investments contracted by 5.7% YoY to USD 0.8 billion (CNY 5.9 billion) in Q3-2024, constituting approximately 21.5% of total revenue.
- Despite a double-digit increase in R&D budgets by China's three major operators for the first nine months of FY-2024, ZTE deviated from this trend by reducing its R&D budget by 5.7% in Q3-2024, resulting in a net decrease of 2.2% for the year thus far. This strategic shift can be attributed to two primary factors:
 - The substantial YoY growth in R&D expenditure during the first three quarters of FY 2023 likely necessitated a more cautious approach in the current fiscal year.
 - ZTE's increased commitment to supporting the national R&D effort, particularly in light of US sanctions, has influenced its allocation of resources. This shift in focus may have led to a realignment of R&D priorities, potentially impacting specific commercial projects.
 - ZTE strives to be at the forefront of technological innovation, actively driving advancements in 5G-Advanced, all-optical networks, and full-stack intelligent computing. This strategic focus is accelerating the deep integration and widespread deployment of these technologies across a diverse range of industries.

Geographic performance

Cisco and Ericsson witnessed mixed revenue trend, Nokia's revenue declined across all geographies

Exhibit 4: Leading telecom vendor regional revenue trends, Q3-2024



Source: Company reports and filings, Industry reporting, Twimbit analysis

Note:

1. Cisco's financial performance is from Aug-2024 to Oct-2024
2. Huawei and ZTE don't report geographic-wise revenue every quarter

Cisco

- Cisco witnessed a positive trend in product demand across most regions and customer segments in Q3-2024. Although revenue continued to decline YoY, the rate of decline slowed in the Americas and EMEA regions. In contrast, the APAC region experienced modest revenue growth.
 - In the Americas, revenue declined by 8.5% YoY in Q3-2024 to ~USD 8.3 billion, due to decreased product demand from the US federal government. This decline offset the growth in services revenue resulting from the Splunk acquisition.
 - Additionally, product revenue decreased in the US and Mexico, counterbalancing growth in Canada and Brazil.
- EMEA revenue decreased by 2.1% YoY in Q3-2024 to USD 3.6 billion. This decline was driven by reduced revenue in countries such as the Netherlands and Switzerland, which offset growth in the UK and France.
- The APAC region experienced a modest 1% YoY revenue growth in Q3-2024 to ~USD 2 billion, primarily driven by increased services revenue. While product revenue declined in China and India, it grew in Japan and Australia.

Ericsson

- The overall revenue decline in Q3-2024 was primarily due to significant revenue drops in the APAC and EMEA regions, which offset growth in the Americas.
- APAC revenue decreased by 40.5% YoY in Q3-2024 to USD 1.1 billion (SEK 11.4 billion).
 - This decline was mainly driven by ~44% sales reduction in Southeast Asia, Oceania, and India, amounting to around USD 740 million (SEK 7.7 billion).
 - Network sales declined primarily due to normalized investment levels in India following a record year in 2023.
 - Network sales in Northeast Asia fell by 31.5% YoY, due to reduced customer capital expenditures in select 5G areas due to significant deployments in recent years.
 - However, recent contract wins for 4G and 5G with Vodafone Idea in India and a majority share of Viettel's nationwide 5G deployment in Vietnam are expected to positively impact revenue growth in the region.
- EMEA revenue declined by 4.5% YoY to ~USD 1.5 billion (SEK 16 billion) in Q3-2024.
 - Sales declined in the Networks segment, primarily due to macroeconomic headwinds and reduced customer capital expenditure.
 - Sales in the Middle East and Africa decreased by 24.4% YoY to approximately USD 470 million (SEK 4.9 billion).
- Sales in the Americas provided a positive offset to revenue, growing by 30.8% YoY during the quarter to reach USD 2.3 billion (SEK 24.5 billion).
 - North American revenues increased by 51.3% YoY to approximately USD 2 billion (SEK 20.4 billion), primarily driven by a revenue surge of approximately 36% YoY in the United States.
 - However, sales in Latin America declined due to increased competition and lower customer network investments.

"We see signs that the overall market is stabilizing with North America, as an early adopter market, returning to growth. While the market development is ultimately in the hands of our customers, we are working to deliver operational excellence regardless of market conditions."

- Börje Ekholm, President and CEO, Ericsson



Source: Company website; Image reference

Nokia

- Nokia experienced revenue declines across all three regions in Q3-2024, with a particularly significant decrease in the APAC region.
- Revenue in the Americas declined by 5.3% YoY to USD 1.6 billion (EUR 1.4 billion) in Q3-2024.
 - North American revenue decreased by 3.1% YoY to ~USD 1.3 billion (EUR 1.2 billion), due to declines in Mobile Networks and Cloud and Network Services, which offset growth in Network Infrastructure.
 - Revenue in Latin America declined by 15.3% YoY to ~USD 244 million (EUR 222 million), primarily due to a decrease in Mobile Network revenue.
- APAC revenue declined significantly by 22.1% YoY to USD 1.2 billion (EUR 1.1 billion) in Q3-2024, primarily driven by weaknesses in the Mobile Networks and Network Infrastructure segments.
 - Revenue from India declined by 44.3% YoY, primarily due to substantial investments made in 5G deployment during FY-2023. Additionally, China and the rest of APAC witnessed revenue declines of 9.8% and 4.2% YoY, respectively.
- Revenue in the EMEA region remained relatively stable, with a slight decline of 0.1% YoY to approximately USD 2 billion (EUR 1.8 billion) in Q3 2024.
 - Revenue from Europe increased by 1.3% YoY to USD 1.5 billion (EUR 1.4 billion), despite a decline in Network Infrastructure. This was offset by stable performance in Mobile Networks and growth in Cloud and Network Services.
 - Revenue in the Middle East and Africa declined by 4.1% YoY to USD 515.6 million (EUR 469 million), as growth in Network Infrastructure was offset by a decline in Cloud and Network Services revenue.

































ZTE

- Despite a complex global environment, ZTE maintained operational stability during the first nine months of FY-2024.
 - The international market, especially with major operators, drove growth while the domestic operator network business faced challenges due to the investment climate. Consumer and government-enterprise segments also expanded rapidly.
 - Rapid technological advancements and growth in emerging markets offered both opportunities and challenges. ZTE engaged with mainstream carriers to capitalize on these trends and strengthen its market position.

Key strategic developments

Key strategic partnerships and alliances: Q3-2024

Cisco, Ericsson, Nokia, Huawei, and ZTE are driving digital transformation through telco engagements with focus on areas like cybersecurity, AI, 5G, and network solutions.

Vendor	Highlights	Key Partners*
	<p>Cisco is driving digital transformation through partnerships.</p> <ul style="list-style-type: none"> Partnered with Honeywell for AI-driven building optimization and with Tech Data and Rockwell Automation for digital growth. Other key engagements include - Bharti Airtel, Rubrik and Nexio. 	       
	<p>Ericsson is strengthening telecommunications presence through collaboration with telcos.</p> <ul style="list-style-type: none"> It collaborated with INFORM for anti-money laundering, T-Mobile for AI-RAN, and Enterprise Ireland/TUS for an AI digital twin. Key client engagements include SAP and Rogers Communications. 	   
	<p>Nokia focuses on driving innovation through responsible AI, AI-RAN, broadband diagnostics and advanced communication technologies.</p> <ul style="list-style-type: none"> Nokia launched high-speed broadband and partnered for improved connectivity, fibre-optic networks, 5G trials, and cyber defense. 	       
	<p>Huawei is advancing 5G in the Middle East and Southeast Asia.</p> <ul style="list-style-type: none"> Launched first indoor 5G-Advanced Network with du in the region, whereas in Thailand, it supports digital transformation and 5.5G development. Established an innovation center in Malaysia alongwith Maxis for 5G-Advanced solutions. 	  
	<p>ZTE focused on strategic collaborations for telecommunications solutions offerings.</p> <ul style="list-style-type: none"> Key engagement includes with China Telecom for a 5G IoT network, Telenor/Red Hat for cloud-native core, China Mobile for PON smart energy-saving, and YOFC for a 1.2Tb/s transport system. 	   

* Not an exhaustive list

Source: Company reports and filings, Industry reporting, Twimbit analysis

Key strategic initiatives: Q3-2024




























Cisco, Ericsson, Nokia, Huawei, and ZTE have all made significant advancements in their respective fields. Cisco focused on cybersecurity, AI, and operational efficiency. Ericsson strengthened its 5G and fintech capabilities. Nokia prioritized sustainability, automation, and broadband. Huawei improved connectivity and resilience. ZTE enhanced smart home connectivity and 5G networks.

Vendor	Description
	<p>Introduced advancements in cybersecurity, AI, and operational efficiency.</p> <ul style="list-style-type: none"> • Launched of Cisco Secure Network Analytics (SNA) 7.5.1 to improve efficiency and better integration with Cisco security products. • In AI, Cisco reduced Webex AI's latency by 50% using Amazon SageMaker and optimized AI workloads using NVIDIA GPUs and Karpenter. • Opened a Cyber Security Center of Excellence in Tokyo to strengthen national security and launched the Coalition for Secure AI (CoSAI) with major partners to advance AI security standards.
	<p>Ericsson continued to strengthen its 5G and fintech capabilities.</p> <ul style="list-style-type: none"> • Unveiled an Enterprise 5G strategy for improved connectivity and launched a 5G Innovation and Experience Studio in Thailand • Partnered with Telstra to introduce the world's first 4th generation RAN compute platform. • Additionally, continues to make inroads into mobile financial services, partnering with MTN Mobile Money.
	<p>Nokia is advancing its sustainability, automation, and broadband initiatives through key launches and partnerships.</p> <ul style="list-style-type: none"> • Introduced a Private Wireless Sustainability Calculator for enterprises and its Event-Driven Automation (EDA) platform reduces network disruptions. • Launched Broadband Easy Connect for faster fiber deployment and conducted successful trials with Frontier, Google Fiber, and Bharti Airtel showcasing its high-speed connectivity and automation capabilities.
	<p>Huawei introduced solutions for improved connectivity and resilience.</p> <ul style="list-style-type: none"> • Its Intelligent Media Solution and Topway Showcase enhances ISP and Internet systems, whereas FTTO 2.0 focuses on campus connectivity and sustainability. • Huawei Cloud launched AI-ready infrastructure in Saudi Arabia and eKIT portfolio in Bolivia to support SMEs drive operational efficiency.
	<p>ZTE introduced AI Fiber to the Room products for enhanced smart home connectivity.</p> <ul style="list-style-type: none"> • In Poland, Polkomtel launched the ZTE U50 5G router. • Also, introduced its D³-ELAA solution to advance 5G-A networks and improve mobile experiences.

Source: Company reports and filings, Industry reporting, Twimbit analysis

Key contract wins: Q3-2024

Cisco, Ericsson, Nokia, Huawei, and ZTE are driving technological advancements in cybersecurity and telecommunications through strategic partnerships. They are enhancing security services, expanding 5G networks, and improving infrastructure capabilities worldwide.

Vendor Name	Highlights	Key clients*
	<p>Cisco continues to enhance cybersecurity measures through strategic partnerships.</p> <ul style="list-style-type: none"> Partnered with Optus to enhance security services for enterprise customers. Additionally, the U.S. Cybersecurity and Infrastructure Security Agency (CISA) added Cisco NX-OS Command Injection vulnerability (CVE-2024-20399) to its catalog. 	 
	<p>Continues to expand its global 5G partnerships.</p> <ul style="list-style-type: none"> Partnered with Viettel and Vodafone Idea for 5G deployment and e& - Egypt for 5G site sharing e& - Egypt leverages Ericsson's antenna system for 5G site sharing. Additionally, it is also advancing 5G Cloud RAN technology with Turkcell, AI-powered 5G with M1, and upgrading US Cellular's infrastructure. 	    
	<p>Nokia is strengthening global telecommunications infrastructure through partnerships.</p> <ul style="list-style-type: none"> Secured agreements in Brazil, New Zealand, Vietnam, and the U.S. Key contracts include from telcos like Telefonica, Zain-Iraq, NL-ix, Claro, SK Telekom, PLDT, Spark etc. 	        
	<p>Huawei is expanding its AI and 5G partnerships.</p> <ul style="list-style-type: none"> Key AI related partnerships include with Talaat Moustafa Group (Egypt), CelcomDigi, IOH, U Mobile. 	   
	<p>Continues to drive technological advancements in telecommunications.</p> <ul style="list-style-type: none"> Partnered with MTN South Africa to launch Africa's first 5G maritime network and was also selected by Spain's Masorange to manage its Network Operation Centre and Business Operation Services. 	 

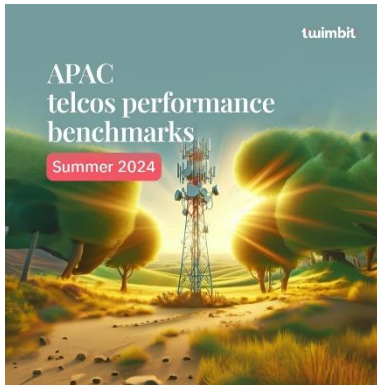
* Not an exhaustive list

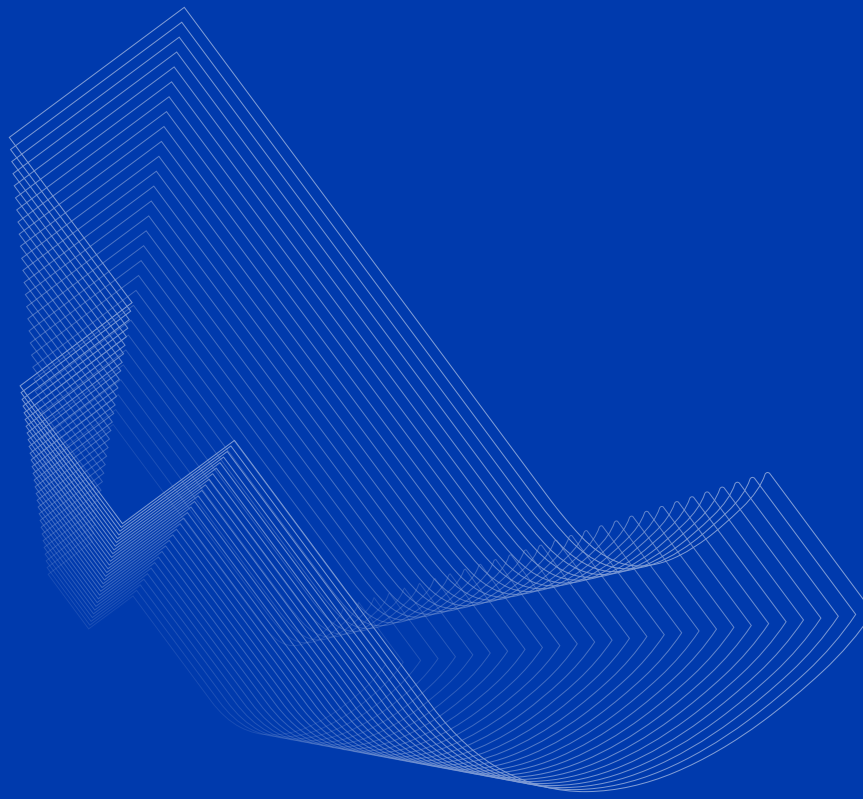
Source: Company reports and filings, Industry reporting, Twimbit analysis

Research methodology and assumptions

- The report “Global telecom vendor updates: Autumn 2024” provides brief insights into the financial and operational performance of leading telecom vendors (Cisco, Ericsson, Nokia, Huawei and ZTE) for the period July-Sep 2024.
- This report harnesses insights gleaned from official sources, financial reports, and regulatory filings of leading telecom equipment vendors, providing a robust foundation for analysis.
- The financial performance for Q3-2024 serves as a powerful leading indicator, offering invaluable insights into future market trends and potential disruptions.
- The report provides actionable insights for benchmarking carrier and enterprise business operations against these key vendors.
- A summary of key strategic developments for Q3-2024, encompassing product launches, partnerships, and contract wins, provides a holistic understanding of vendor strategies and their potential impact on the market.
- All local currency figures have been converted to USD using an average exchange rate calculated for July - Sep 2024 to facilitate fair comparison.
- The data presented in this report is based on the most current information available at the time of compilation. As such, it may not reflect subsequent developments. This report is intended for informational purposes only and should not be relied upon as a substitute for independent research.

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